
By: **Carroll County Senators**

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Assigned to: Rules

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Committee Report: Favorable with amendments

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CHAPTER _____

1 AN ACT concerning

2 **Carroll County - Public Facilities Bonds**

3 FOR the purpose of authorizing and empowering the County Commissioners of
4 Carroll County, from time to time, to borrow not more than \$23,000,000 in order
5 to finance the construction, improvement, or development of certain public
6 facilities in Carroll County, including water and sewer projects, and to finance
7 fire or emergency-related equipment, buildings, and other facilities of volunteer
8 fire departments in the County, as herein defined, and to effect such borrowing
9 by the issuance and sale at public or private sale of its general obligation bonds
10 in like par amount; empowering the County to fix and determine, by resolution,
11 the form, tenor, interest rate or rates or method of determining the same, terms,
12 conditions, maturities, and all other details incident to the issuance and sale of
13 the bonds; empowering the County to issue refunding bonds for the purchase or
14 redemption of bonds in advance of maturity; empowering and directing the
15 County to levy, impose, and collect, annually, ad valorem taxes in rate and
16 amount sufficient to provide funds for the payment of the maturing principal of
17 and interest on the bonds; exempting the bonds and refunding bonds and the
18 interest thereon and any income derived therefrom from all State, county,
19 municipal, and other taxation in the State of Maryland; providing that nothing
20 in this Act shall prevent the County from authorizing the issuance and sale of
21 bonds the interest on which is not excludable from gross income for federal
22 income tax purposes; and relating generally to the issuance and sale of such
23 bonds.

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
25 MARYLAND, That, as used herein, the term "County" means the body politic and
26 corporate of the State of Maryland known as the County Commissioners of Carroll

1 County, and the term "construction, improvement, or development of public facilities"
2 means the acquisition, alteration, construction, reconstruction, enlargement,
3 equipping, expansion, extension, improvement, rehabilitation, renovation, upgrading,
4 and repair of public buildings and facilities and public works projects, including, but
5 not limited to, public works projects such as roads, bridges and storm drains, public
6 school buildings and facilities, landfills, Carroll Community College buildings and
7 facilities, public operational buildings and facilities such as buildings and facilities for
8 County administrative use, public safety, health and social services, libraries, refuse
9 disposal buildings and facilities, water and sewer infrastructure facilities, and parks
10 and recreation buildings and facilities, together with the costs of acquiring land or
11 interests in land as well as any related architectural, financial, legal, planning, or
12 engineering services.

13 SECTION 2. AND BE IT FURTHER ENACTED, That the County is hereby
14 authorized to finance any part or all of the costs of the public facilities described in
15 Section 1 of this Act, to make loans to each and every volunteer fire department in the
16 County upon such terms and conditions as may be determined by the County for the
17 purpose of refinancing certain fire or emergency-related equipment, buildings, or
18 other facilities of volunteer fire departments, and to borrow money and incur
19 indebtedness for those purposes, at one time or from time to time, in an amount not
20 exceeding, in the aggregate, \$23,000,000 and to evidence such borrowing by the
21 issuance and sale upon its full faith and credit of general obligation bonds in like par
22 amount, which may be issued at one time or from time to time, in one or more groups
23 or series, as the County may determine.

24 SECTION 3. AND BE IT FURTHER ENACTED, That the bonds shall be
25 issued in accordance with a resolution of the County, which shall describe generally
26 the construction, improvement, or development of public facilities, including water
27 and sewer projects and the fire or emergency-related equipment, buildings, or other
28 facilities of volunteer fire departments in the County, for which the proceeds of the
29 bond sale are intended and the amount needed for those purposes. The County shall
30 have and is hereby granted full and complete authority and discretion in the
31 resolution to fix and determine with respect to the bonds of any issue: the
32 designation, date of issue, denomination or denominations, form or forms, and tenor
33 of the bonds which, without limitation, may be issued in registered form within the
34 meaning of Section 30 of Article 31 of the Annotated Code of Maryland, as amended;
35 the rate or rates of interest payable thereon, or the method of determining the same,
36 which may include a variable rate; the date or dates and amount or amounts of
37 maturity, which need not be in equal par amounts or in consecutive annual
38 installments, provided only that no bond of any issue shall mature later than 30 years
39 from the date of its issue; the manner of selling the bonds, which may be at either
40 public or private sale, for such price or prices as may be determined to be for the best
41 interests of Carroll County; the manner of executing and sealing the bonds, which
42 may be by facsimile; the terms and conditions of any loans made to volunteer fire
43 departments; the terms and conditions, if any, under which bonds may be tendered for
44 payment or purchase prior to their stated maturity; the terms or conditions, if any,
45 under which bonds may or shall be redeemed prior to their stated maturity; the place
46 or places of payment of the principal of and the interest on the bonds, which may be
47 at any bank or trust company within or without the State of Maryland; covenants

1 relating to compliance with applicable requirements of federal income tax law,
2 including (without limitation) covenants regarding the payment of rebate or penalties
3 in lieu of rebate; covenants relating to compliance with applicable requirements of
4 federal or state securities laws; and generally all matters incident to the terms,
5 conditions, issuance, sale, and delivery thereof.

6 The bonds may be made redeemable before maturity, at the option of the County,
7 at such price or prices and under such terms and conditions as may be fixed by the
8 County prior to the issuance of the bonds, either in the resolution or in subsequent
9 resolutions. The bonds may be issued in registered form, and provision may be made
10 for the registration of the principal only. In case any officer whose signature appears
11 on any bond ceases to be such officer before the delivery thereof, such signature shall
12 nevertheless be valid and sufficient for all purposes as if he had remained in office
13 until such delivery. The bonds and the issuance and sale thereof shall be exempt from
14 the provisions of Sections 9, 10, and 11 of Article 31 of the Annotated Code of
15 Maryland, as amended.

16 The County may enter into agreements with agents, banks, fiduciaries,
17 insurers, or others for the purpose of enhancing the marketability of any security for
18 the bonds and for the purpose of securing any tender option that may be granted to
19 holders of the bonds, all as may be determined and presented in the aforesaid
20 resolution, which may (but need not) state as security for the performance by the
21 County of any monetary obligations under such agreements the same security given
22 by the County to bondholders for the performance by the County of its monetary
23 obligations under the bonds.

24 If the County determines in the resolution to offer any of the bonds by
25 solicitation of competitive bids at public sale, the resolution shall fix the terms and
26 conditions of the public sale and shall adopt a form of notice of sale, which shall
27 outline the terms and conditions, and a form of advertisement, which shall be
28 published in one or more daily or weekly newspapers having a general circulation in
29 the County and which may also be published in one or more journals having a
30 circulation primarily among banks and investment bankers. At least one publication
31 of the advertisement shall be made not less than 10 days before the sale of the bonds.

32 Upon delivery of any bonds to the purchaser or purchasers, payment therefor
33 shall be made to the Treasurer of Carroll County or such other official of Carroll
34 County as may be designated to receive such payment in a resolution passed by the
35 County before such delivery.

36 SECTION 4. AND BE IT FURTHER ENACTED, That the net proceeds of the
37 sale of bonds shall be used and applied exclusively and solely for the acquisition,
38 construction, improvement, or development of public facilities, including water and
39 sewer projects, or loans to volunteer fire departments for the financing of fire or
40 emergency-related equipment, buildings, or other facilities of volunteer fire
41 departments in the County, for which the bonds are sold. If the amounts borrowed
42 shall prove inadequate to finance the projects described in the resolution, the County
43 may issue additional bonds with the limitations hereof for the purpose of evidencing
44 the borrowing of additional funds for such financing, provided the resolution

1 authorizing the sale of additional bonds shall so recite, but if the net proceeds of the
2 sale of any issue of bonds exceed the amount needed to finance the projects described
3 in the resolution, the excess funds so borrowed and not expended shall be applied to
4 the payment of the next principal maturity of the bonds or to the redemption of any
5 part of the bonds which have been made redeemable or to the purchase and
6 cancellation of bonds, unless the County shall adopt a resolution allocating the excess
7 funds to the acquisition, construction, improvement, or development of other public
8 facilities, including water and sewer projects, or to the financing of other fire or
9 emergency-related equipment, buildings, or other facilities of volunteer fire
10 departments in the County as defined and within the limits set forth in this Act.

11 SECTION 5. AND BE IT FURTHER ENACTED, That the bonds hereby
12 authorized shall constitute, and they shall so recite, an irrevocable pledge of the full
13 faith and credit and unlimited taxing power of the County to the payment of the
14 maturing principal of and interest on the bonds as and when they become payable. In
15 each and every fiscal year that any of the bonds are outstanding, the County shall
16 levy or cause to be levied ad valorem taxes upon all the assessable property within the
17 corporate limits of the County in rate and amount sufficient to provide for or assure
18 the payment, when due, of the principal of and interest on all the bonds maturing in
19 each such fiscal year and, in the event the proceeds from the taxes so levied in any
20 such fiscal year shall prove inadequate for such payment, additional taxes shall be
21 levied in the succeeding fiscal year to make up any such deficiency. The County may
22 apply to the payment of the principal of and interest on any bonds issued hereunder
23 any funds received by it as loan repayments from volunteer fire departments and any
24 funds received by it from the State of Maryland, the United States of America, any
25 agency or instrumentality thereof, or from any other source, if such funds are granted
26 for the purpose of assisting the County in financing the acquisition, construction,
27 improvement, or development of the public facilities defined in this Act, including the
28 water and sewer projects or the aforementioned fire or emergency-related equipment,
29 buildings, or other facilities for volunteer fire departments in the County, and, to the
30 extent of any such funds received or receivable in any fiscal year, the taxes that are
31 required to be levied may be reduced accordingly.

32 SECTION 6. AND BE IT FURTHER ENACTED, That the County is further
33 authorized and empowered, at any time and from time to time, to issue its bonds in
34 the manner herein above described for the purpose of refunding, by payment at
35 maturity or upon purchase or redemption, any bonds issued hereunder. The validity
36 of any such refunding bonds shall in no way be dependent upon or related to the
37 validity or invalidity of the obligations so refunded. The powers herein granted with
38 respect to the issuance of bonds shall be applicable to the issuance of refunding bonds.
39 Such refunding bonds may be issued by the County for the purpose of providing it
40 with funds to pay any of its outstanding bonds issued hereunder at maturity, for the
41 purpose of providing it with funds to purchase in the open market any of its
42 outstanding bonds issued hereunder, prior to the maturity thereof, or for the purpose
43 of providing it with funds for the redemption prior to maturity of any outstanding
44 bonds issued hereunder which are, by their terms, redeemable, for the purpose of
45 providing it with funds to pay interest on any outstanding bonds issued hereunder
46 prior to their payment at maturity of purchase or redemption in advance of maturity,
47 or for the purpose of providing it with funds to pay any redemption or purchase

1 premium in connection with the refunding of any of its outstanding bonds issued
2 hereunder. The proceeds of the sale of any such refunding bonds shall be segregated
3 and set apart by the County as a separate trust fund to be used solely for the purpose
4 of paying the purchase or redemption prices of the bonds to be refunded.

5 SECTION 7. AND BE IT FURTHER ENACTED, That the County may, prior
6 to the preparation of definitive bonds, issue interim certificates or temporary bonds,
7 exchangeable for definitive bonds when such bonds have been executed and are
8 available for such delivery, provided, however, that any such interim certificates or
9 temporary bonds shall be issued in all respects subject to the restrictions and
10 requirements set forth in this Act. The County may, by appropriate resolution,
11 provide for the replacement of any bonds issued hereunder which shall have become
12 mutilated or lost or destroyed upon such conditions and after receiving such
13 indemnity as the County may require.

14 SECTION 8. AND BE IT FURTHER ENACTED, That any and all obligations
15 issued pursuant to the authority of this Act, their transfer, the interest payable
16 thereon, and any income derived therefrom in the hands of the holders thereof from
17 time to time (including any profit made in the sale thereof) shall be and are hereby
18 declared to be at all times exempt from State, county, municipal, or other taxation of
19 every kind and nature whatsoever within the State of Maryland. Nothing in this Act
20 shall prevent the County from authorizing the issuance and sale of bonds the interest
21 on which is not excludable from gross income for federal income tax purposes.

22 SECTION 9. AND BE IT FURTHER ENACTED, That the authority to borrow
23 money and issue bonds conferred on the County by this Act shall be deemed to provide
24 an additional and alternative authority for borrowing money and shall be regarded as
25 supplemental and additional to powers conferred upon the County by other laws and
26 shall not be regarded as in derogation of any power now existing; and all Acts of the
27 General Assembly of Maryland heretofore passed authorizing the County to borrow
28 money are hereby continued to the extent that the powers contained in such Acts have
29 not been exercised, and nothing contained in this Act may be construed to impair, in
30 any way, the validity of any bonds that may have been issued by the County under the
31 authority of any said Acts, and the validity of the bonds is hereby ratified, confirmed,
32 and approved. This Act, being necessary for the welfare of the inhabitants of Carroll
33 County, shall be liberally construed to effect the purposes hereof. All Acts and parts of
34 Acts inconsistent with the provisions of this Act are hereby repealed to the extent of
35 such inconsistency.

36 SECTION 10. AND BE IT FURTHER ENACTED, That this Act shall take
37 effect June 1, 2003.

